

Budget tricks helped Obama save programs from cuts

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WASHINGTON – Details of last week's hard-won agreement to avoid a government shutdown and cut federal spending by \$38 billion were released Tuesday morning. They reveal that the budget cuts, while historic, were significantly eased by pruning money left over from previous years, using accounting sleight of hand and going after programs President Barack Obama had targeted anyway.

Such moves permitted Obama to save favorite programs — Pell grants for poor college students, health research and "Race to the Top" aid for public schools, among others — from Republican knives.

And big holes in foreign aid and Environmental Protection Agency accounts were patched in large part. Republicans also gave up politically treacherous cuts to the Agriculture Department's food inspection program.

The full details of Friday's agreement were released early Tuesday Morning. They reveal a lot of one-time savings and cuts that officially "score" as cuts to pay for spending elsewhere, but often have little to no actual impact on the deficit.

As a result of the legerdemain, Obama was able to reverse many of the cuts passed by House Republicans in February when the chamber approved a bill slashing this year's budget by more than \$60 billion. In doing so, the White House protected favorites like the Head Start early learning program, while maintaining the maximum Pell grant of \$5,550 and funding for Obama's "Race to the Top" initiative that provides grants to better-performing schools.

Instead, the cuts that actually will make it into law are far tamer, including cuts to earmarks, unspent census money, leftover federal construction funding, and \$2.5 billion from the most recent renewal of highway programs that can't be spent because of restrictions set by other legislation. Another \$3.5 billion comes from unused spending authority from a program providing health care to children of lower-income families.

Still, Obama and his Democratic allies accepted \$600 million in cuts to a community health centers programs, \$414 million in cuts to grants for state and local police departments, and a \$1.6 billion reduction in the Environmental Protection Agency budget, almost \$1 billion of which would come from grants for clean water and other projects by local governments and Indian tribes.

The National Institutes of Health, which funds critical medical research, would absorb a \$260 million cut, less than 1 percent of its budget, instead of the \$1.6 billion cut sought by House Republicans. Family planning programs would bear a 5 percent cut rather than being completely eliminated.

Homeland security programs would have to take their first-ever cut, though much of the 2 percent decrease comes from a \$786 million cut to first responder grants to state and local governments. The IRS would see its budget frozen but be spared the 5 percent cut sought by House Republicans.

About \$10 billion of the cuts already have been enacted as the price for keeping the government open as negotiations progressed; lawmakers tipped their hand regarding another \$10 billion or so when the House passed

a spending bill last week that ran aground in the Senate.

For instance, the spending measure reaps \$350 million by cutting a one-year program enacted in 2009 for dairy farmers then suffering from low milk prices. Another \$650 million comes by not repeating a one-time infusion into highway programs passed that same year. And just last Friday, Congress approved Obama's \$1 billion request for high-speed rail grants — crediting itself with \$1.5 billion in savings relative to last year.

The underlying issue is long overdue legislation to finance the day-to-day budget of every Cabinet department, including the Pentagon, for the already half-completed 2011 fiscal year. The measure caps 2011 funding for such operating budgets at about \$1.2 trillion.

About \$10 billion of the cuts comes from targeting appropriations accounts previously used by lawmakers for so-called earmarks, those pet projects like highways, water projects, community development grants and new equipment for police and fire departments. Republicans had already engineered a ban on earmarks when taking back the House this year.

Republicans also claimed \$5 billion in savings by capping payments from a fund awarding compensation to crime victims. Under an arcane bookkeeping rule — used for years by appropriators — placing a cap on spending from the Justice Department crime victims fund allows lawmakers to claim the entire contents of the fund as budget savings. The savings are awarded year after year.

Even before details of the bill came out, some conservative Republicans were assailing it. Rep. Mike Pence, R-Ind., said he probably won't vote for the measure, and tea party favorite Michele Bachmann, R-Minn., is a "nay" as well.

The \$38 billion in cuts, Rep. Tim Huelskamp, R-Kan., wrote on his Facebook page, "barely make a dent" in the country's budget woes.

Huelskamp and other conservatives are also upset that most conservative policy "riders" added by Republicans were dropped from the legislation in the course of the talks.

The White House rejected GOP attempts to block the EPA's ability to issue global warming rules and other reversals of environmental regulations. Obama also forced Republicans to drop an effort to cut off Planned Parenthood from federal funding, as well as GOP moves to stop implementation of Obama's overhauls of health care and Wall Street regulation.

The administration also thwarted a GOP attempt to block new rules governing the Internet, as well as a National Rifle Association-backed attempt to neuter a little-noticed initiative aimed at catching people running guns to Mexican drug lords by having regulators gather information on batch purchases of rifles and shotguns.

Anti-abortion lawmakers did, however, succeed in winning a provision to block taxpayer-funded abortions in the District of Columbia. And House Speaker John Boehner, R-Ohio, won funding for a personal initiative to provide federally funded vouchers for District of Columbia students to attend private schools.

Instead of sharply cutting the Securities and Exchange Commission and the Commodities Futures Trading Commission, both agencies would get increases under the legislation as they gear up to implement last year's overhaul of financial regulation. And renewable energy programs are cut \$407 million below last year, almost 20 percent. The Army Corps of Engineers, which funds flood control and inland waterway projects, will absorb a \$578 million cut, representing about 10 percent of its budget.

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